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TAGS: [KNNP](#) [AORC](#) [IAEA](#) [IR](#)

SUBJECT: IAEA/IRAN: TECHNICAL BRIEFING IS SOUNDING BOARD  
FOR IRAN'S ATTACK

Classified By: Ambassador Gregory L. Schulte for reasons 1.4(b) and (d)

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Summary  
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11. (SBU) On February 24, Ops B Director Herman Nackaerts provided Member States a technical briefing on the Director General's (DG) report on Iran that largely repeated the same points covered in the report, but also offered a more detailed explanation about how the "error" on the additional low enriched uranium (LEU) discovered at the physical inventory verification (PIV) had occurred. The one new piece of information that appeared in the briefing was the fact that Iran has installed another model of a "new generation" centrifuge--the IR-4--in the pilot fuel enrichment plant at Natanz for research and development testing. Nackaerts also provided commentary on Iran's refusal to allow the IAEA to visit the Heavy Water Research Reactor at Arak and to provide substantive responses to the possible military dimensions questions.

12. (C) During the question and answer session, France tried to pin down the Legal Office to respond to Iran's continued rejection of Code 3.1 of its Subsidiary Arrangement, but Legal replied that it would do so, only at the request of the Board. (Comment: We subsequently clarified that this could be accomplished via a request at a Board meeting.) Iran also used this opportunity to speak about how it is cooperating with the IAEA, as required by its comprehensive safeguards agreement and to criticize the IAEA's handling of the issue and Canada's call for public release of the report. (Comment: Mission believes this is just a preview of what Iran intends to do during next week's Board of Governors meeting.) In addition to speaking after the Iran portion of the briefing, Iran was unusually confrontational throughout the three hour session, challenging the IAEA Secretariat on other aspects of the IAEA's business, including on nuclear safety and technology and on Syria. End Summary.

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Briefing Explains "Error" on Additional LEU  
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13. (SBU) After summarizing Iran's centrifuge cascade operations at the Fuel Enrichment Plant (FEP) at Natanz--which included the same information contained in the DG's February 19 report--Nackaerts explained how the additional 209 kg of LEU was discovered and accounted for during the late November 2008 PIV. Nackaerts explained that all previous estimates of LEU production in earlier DG reports was based on the Iranian operator's theoretical calculations of LEU product and not on "formal declarations."

During the PIV, it was discovered that the operator's theoretical calculations were underestimated, but Iran provided good cooperation to resolve the matter as well as improve the future estimates. Nackaerts noted that these "underestimates" were not intentional, and that all/all nuclear material was accounted for and was under seal and

surveillance, and therefore there is no indication of any diversion.

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Iran Begins IR-4 Testing  
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¶4. (SBU) Nackaerts also provided a brief snapshot into the activities at the Pilot FEP (PFEP) at Natanz, which again, were the same as reported in the DG's February 19 report, with the exception of Iran's testing of the new IR-4 centrifuge. Iran informed the IAEA on February 17 that it planned to perform research and development (R&D) on another "new generation" centrifuge--the IR-4--at the PFEP at Natanz. As of February 19, Iran had installed two IR-4 machines in the PFEP, but had not yet started feeding them with uranium hexafluoride (UF6) gas. (Comment: During a January 2008 visit to the Kalaye Electric centrifuge laboratory, DG ElBaradei and DDG Safeguards Olli Heinonen were given information on four different advanced centrifuge designs--the IR-2, IR-3, IR-4, and IR-5. Until now, Iran has only operated the IR-1, IR-2, and IR-3 at the PFEP at Natanz.)

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Lack of Access to the IR-40  
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¶5. (SBU) Highlighting Iran's failure to abide by Code 3.1 of its Subsidiary Arrangement under its Safeguards Agreement, Nackaerts reported that the IAEA has made two requests to visit the IR-40 Heavy Water Research Reactor at Arak since August 2008, the most recent in January 2009, but has been

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refused by Iran on both accounts. He went on to repeat the line in the DG's report that monitoring the progress of reactor construction through satellite imagery is now impossible, and showed a recent satellite photo to illustrate how the containment dome obscured the reactor.

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Nothing New on Possible Military Dimensions  
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¶6. (SBU) Nackaerts reiterated that no/no progress had been made on PMD issues and that Iran needs to provide substantive information, and access to relevant documentation, locations, and individuals. Nackaerts stated that the "alleged studies, if true, seem to have military connections and seem to point to nuclear weapons development." He also said the future process for dealing with PMD issues is for Iran to tackle them as a package and not in a piecemeal fashion.

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Questions and Answers  
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¶7. (SBU) After Nackaerts' presentation, Canada, France, the U.S., and Germany all asked questions, and per its usual practice, Iran made both an initial speech after the briefing and also later interjected in response to various questions. Canada asked when would Iran reach one "significant quantity" (SQ) based on use of LEU already produced--noting that Iran would have to further enrich to highly enriched uranium (HEU) for a weapon--if it continued centrifuge operations at the FEP at Natanz at its current rate. Canada also asked if Iran's current sources of uranium--which include the dwindling stock of yellowcake at the Uranium Conversion Facility (UCF) at Esfahan and Iran's own domestic resources, are sufficiently scarce to impede the enrichment activities. DDG Safeguards Olli Heinonen responded that Canada's questions were not valid because it is not a simple procedure to produce HEU at Natanz, since the facility currently is not designed to do so, therefore, it is not helpful to speculate about a "significant quantity" of LEU.

¶8. (SBU) France commented that it believed Canada's questions were valid, and then proceeded to ask for a legal characterization of Iran's refusal to allow the IAEA to perform a design inventory verification (DIV) at the IR-40 reactor and Iran's continued refusal to provide design information for the planned reactor at Darkhovin. Office of Legal Affairs Johan Rautenbach replied that this was the same question asked by France in which he had responded to in the last technical briefing, and that he did not feel comfortable going beyond what was in the scope of the DG's report. Rautenbach said he is happy to provide a thorough and detailed response, which will include all the nuances, if the Board requests him to do so. France fired back, stating that "there is already a question from one Board Member," who wants a response. France also asked if Article 12 c. applies in this case. Rautenbach replied that again, he is happy to respond from a legal perspective, but it is difficult to respond to only one Board Member. (Comment: Mission, as well as others we have spoken to, assume Rautenbach's answer was according to instructions from the Director General).

¶9. (C) The French and U.S. DCM spoke to Rautenbach on the IR-40 question after the briefing. Rautenbach complained that France and others had misused his off the cuff comment regarding compliance from the last technical briefing, and reiterated that now he would issue a legal judgment only in response to a Board request. DCM pushed back, noting the linkage to the UNSC resolutions and the need for the IAEA to have its own view. DCM asked what it would take to constitute a Board request, would it be enough for the Board Chair to pose a question--without a resolution. Rautenbach replied "yes." (Comment: We have heard separately that the Legal Office has already drafted such a response and that it will be forthcoming. We clarified subsequently with the Office of External Relations and Policy Coordination that the IAEA Secretariat would be prepared to answer a request at the Board meeting, assuming no objection from the floor.)

¶10. (C) DCM asked for clarification on the DG's recent press comments about Iran's "slow down" at Natanz being a result of a political decision. He also asked what activities did Iran have planned for the LEU that the DG's report noted was transferred from PFEP to the Jabr Ibn Hayan Multipurpose Laboratories (JHL). Nackaerts replied that his presentation had included the current numbers on Iran's centrifuge operations at Natanz and that he did not prefer to comment on the DG's press statements. In response to the second question, he also said that Iran intends to perform

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R&D related to conversion of UF<sub>6</sub> at the JHL, and that the IAEA is now in discussion with Iran on the purpose of those conversion-related activities. A senior IAEA official later told DCM that he disagreed with the DG's comments that the installation of centrifuges at Natanz had slowed down. He said that Iran continues with extensive preparatory work on the other cascades, the only "leveling" seems to be in the rate at which Iran is actually introducing UF<sub>6</sub> feed into new centrifuge cascades.

¶11. (SBU) Germany noted that the IR-4 information was new and asked for additional technical details about the centrifuge machine. Nackaerts said that it would not be appropriate to disclose such technical details to the Board.

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Iran's Speeches and Interjections  
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¶12. (C) Iranian Ambassador Soltanieh spoke twice during the Technical Briefing, once right after Nackaerts gave his presentation, and then again after France spoke. Soltanieh's first statement addressed how the additional 209 kg of LEU discovered at the PIV, which was misreported and blown out of proportion in the media, created a lot of problems for Iran,

and that Iran needed to be "compensated" for this damage. Soltanieh noted that he did not like the way the DG's report on Iran is presented, and criticized Canada's continued call in the Board of Governors meetings to publicly release the Iran reports. (Comment: This is a strong indication that Iran is going to use the Syrian model of getting the report not to be publicly released. The U.S. should be prepared for this battle, as it almost certainly will become an issue at next week's Board.)

¶13. (SBU) Soltanieh stated that Iran's cooperation with the IAEA is as required by its comprehensive safeguards agreement (CSA), but that cooperation will not/not go beyond the CSA as long as the UNSC resolutions exist. He concluded his speech by claiming the "work plan" is over because Iran fulfilled all of its duties, but the IAEA did not fulfill its part of the deal by providing the "alleged studies" documents to Iran. He explained that the DG needs to return safeguards to a "routine manner" and once that happens, Iran will then "answer any questions."

¶14. (SBU) Soltanieh spoke again after France requested a legal finding on Code 3.1. He offered France a simple answer to its question about the legal interpretation by explaining that Iran's file was already at the UNSC-although illegally-so why was France bothering to bring about more "noncompliance" on Iran. He asked what the difference was, and was the goal to report Iran to the UNSC again, which would not change what currently exists. Soltanieh also addressed Canada, stating that it was impossible for a country, any country and not just Iran, to change a LEU cascade to produce HEU "overnight."

¶15. Comment: In addition to the above interjections during the Iran portion of the technical briefing, Mission notes that Soltanieh seems to have decided to confront the Secretariat in every aspect of the IAEA's business. For example, during the Nuclear Safety and Nuclear Technology briefings, Soltanieh commented at length and charged that safety can sometimes get in the way of the IAEA's "promotion" of nuclear energy and asked what the IAEA was doing to get Member States, who are reluctant to share advanced technology, to cooperate with those seeking the technology. Soltanieh also spoke twice during the Syria briefing, which will be reported Septel. Additionally, Mission observed Soltanieh and others had pulled aside Board Chair Feroukhi at the conclusion of the Technical Briefing, presumably to deliver a harangue on prospective public release of the Iran and Syria reports at next week's Board meeting.

SCHULTE